

REMARKS

In response to the Office Action dated March 18, 2009, Applicants have amended claims 1 and 9. Care has been taken to avoid the introduction of new matter. Support for the amendment is found at least at page 4, lines 8-10 and page 13, lines 21-23 of the specification. Claims 8 and 16 are withdrawn. In view of the foregoing amendments and the following remarks, Applicants respectfully submit that all pending claims are in condition for allowance.

Claims 1, 3-7, 9 and 11-15 were rejected under the first and second paragraphs of 35 U.S.C. § 112. Applicants submit that the rejections are moot in view of the cancellation of the term “main component” from independent claims 1 and 9.

Claims 1, 3, 4, 6, 7, 9, 12, 14 and 15 were rejected under 35 U.S.C. § 102(b) as being anticipated by Ueta et al. (U.S. Pat. App. Pub. No. 2004/0126609, hereinafter “Ueta”). Applicants traverse.

Claims 1, 3-9 and 11-15 were rejected under 35 U.S.C. § 102(a) as being anticipated by Kaneko et al. (U.S. Pat. No. 7,285,329, hereinafter “Kaneko”). Applicants traverse.

A feature of the claimed subject matter as represented in amended claims 1 and 9 is that the lower film is formed of an oxide of a nonferrous metal, and the insulating upper film includes oxygen. This feature provides the following effects. An oxide of a nonferrous metal has a higher electrical resistance than that of a single metal element. Therefore, the lower film formed of an oxide of a nonferrous metal, together with the insulating upper film, can function as an insulating layer between metal magnetic particles after heat treatment. At this time, even if the nonferrous metal forming the lower film is present in the form of an oxide, the gettering effect, namely the nonferrous metal capturing oxygen, can be achieved as long as the amount of oxygen

is not more than that of the stoichiometry composition. Accordingly, the upper film and the lower film can more effectively function as insulating layers, so that the eddy current loss between metal magnetic particles can be reduced.

In contrast to the present claimed subject matter, Ueta discloses in paragraph [0041] that the surface of a metal powder is processed with “an aluminum containing phosphate or phosphoric, acid compound, . . .” In the case where “an aluminum-containing phosphate or phosphoric acid” is used, however, Al•P•O compound (aluminum phosphate compound), not an oxide of a nonferrous metal, is formed on the surface of the metal powder.

Although the Examiner stated in the Office Action that an aluminum oxide layer would be present on the surface of the coating layer, Ueta adds aluminum in the form of aluminum phosphate or aluminum hydroxide. Ueta at [0089] discloses that aluminum is highly reactive with phosphoric acid. Therefore, since aluminum is highly reactive with phosphoric acid, aluminum in the aluminum phosphate will not be oxidized by itself. Therefore, no aluminum oxide is present in the surface layer of the coating layer.

Kaneko discloses in the drawings that inner carbon layer 2 and outer silicon oxide layer 3 successively cover iron core 1. As seen from this, Kaneko does not disclose a lower film formed of an oxide of a nonferrous metal.

The above argued differences between the claimed soft magnetic material and the inventions of Ueta and Kaneko undermine the factual determination that either Ueta and Kaneko discloses the soft magnetic material identically corresponding to that claimed. *Minnesota Mining & Manufacturing Co. v. Johnson & Johnson Orthopaedics Inc.*, 976 F.2d 1559, 24 USPQ2d 1321 (Fed. Cir. 1992); *Kloster Speedsteel AB v. Crucible Inc.*, 793 F.2d 1565, 230 U.S.P.Q. 86 (Fed. Cir. 1986). Based on the forgoing, it is submitted that neither Ueta nor

Kaneko anticipates amended claims 1 and 9, nor any claim dependent thereon. The dependent claims are allowable for at least the same reasons as claims 1 and 9. Applicants, therefore, submit that the imposed rejections under 35 U.S.C. § 102 for lack of novelty are not factually viable and, hence, solicit withdrawal thereof.

Dependent claims 3, 5, 11 and 13 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Ueta in view of Kaneko. Applicants traverse.

Dependent claims 7 and 15 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Kaneko in view of Ueta. Applicants traverse.

The dependent claims are allowable for at least the same reasons as claims 1 and 9.

Accordingly, in view of the foregoing, withdrawal of the foregoing rejections is respectfully requested.

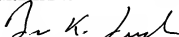
In view of the above amendments and remarks, Applicants submit that this application should be allowed and the case passed to issue. If there are any questions regarding this Amendment or the application in general, a telephone call to the undersigned would be appreciated to expedite the prosecution of the application.

**Application No.: 10/562,798**

To the extent necessary, a petition for an extension of time under 37 C.F.R. 1.136 is hereby made. Please charge any shortage in fees due in connection with the filing of this paper, including extension of time fees, to Deposit Account 500417 and please credit any excess fees to such deposit account.

Respectfully submitted,

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